2002 ANNUAL REPORT

Mindoro Resources Ltd.

MINDORO

Project Highlight Notes

Lobo Project
- drilling commenced April, 2003, on SW Breccia Zone
- major epithermal vein / breccia systems with high gold-silver-(copper) values widely-distributed: multiple targets

Camo Trend:
- over 2 km mineralized trend
- SW Breccia Zone - high-grade gold over wide intervals from trenching, e.g.:

14.5 m (open) of 24.67 g/t gold
11 m (open) of 19.1 g/t gold

Sampson Trend:
- over 2 km mineralized trend
- up to 3.36 g/t gold, 1,792 g/t silver, and 21.6% copper in 1 m rock-chip samples
- high-grade remaining gold-(copper) resources in old Lobo Mine

Archangel Project
- Kay Tanda gold resource estimate inferred to be 370,000 oz. at 0.68 g/t, plus silver; believed to be open; further evaluation planned
- adjacent Balibago porphyry copper-gold system defined over 3 km by 1 to 1.5 km; major partner sought to drill Balibago

Pan de Azucar Project
Valderama Deposit:
- massive pyritic sulphide deposit; low-moderate copper-gold-silver-zinc values; open in several directions
- an epithermal deposit, believed related to a porphyry copper-gold system nearby (Asparin Hill).

Asparin Hill:
- a shallow, 2002 drill hole intersected mineralization characteristic of a porphyry system
- believed to reflect porphyry copper-gold system nearby

Tapian San Francisco Project
- porphyry copper-gold prospect on major structure extending from Boyongan Deposit
- multiple epithermal gold prospects

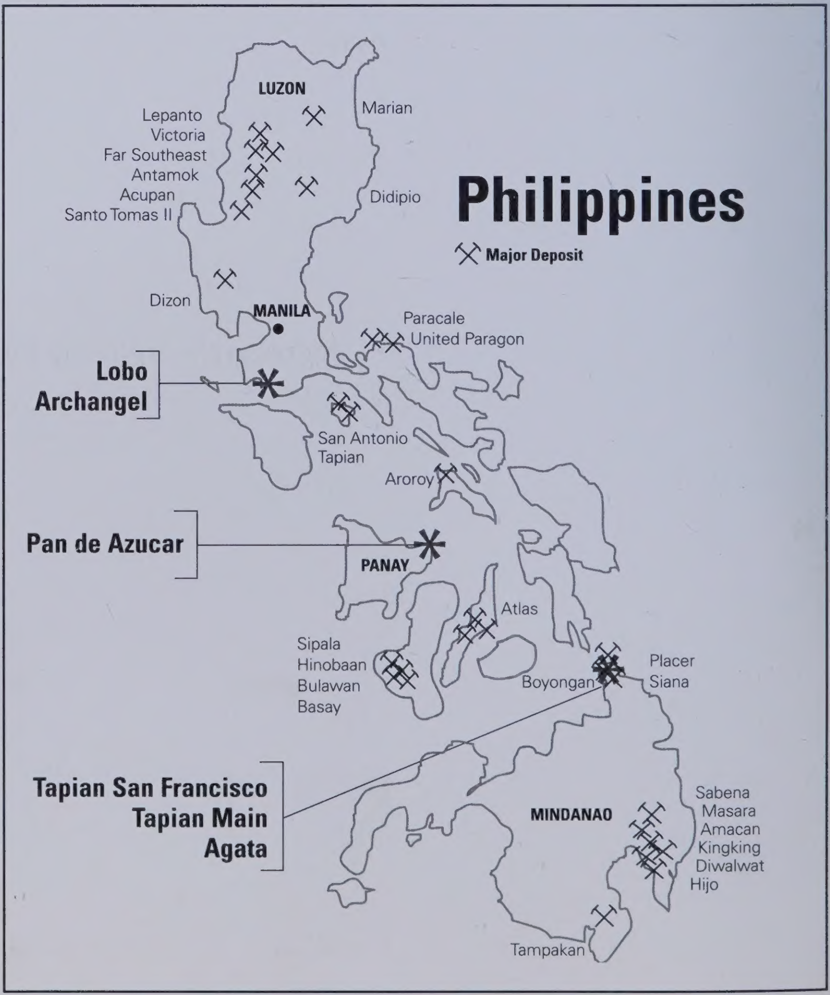
Tapian Main Project
- multiple epithermal gold prospects
- copper soil anomalies

Agata Project
- 1999 scout drilling intersected significant gold mineralization on two prospects

Assmicor: 24 m of 1.4 g/t gold in near-surface, oxide material

Limestone: 7 m of 2.7 g/t gold, near-surface, in limestone

- both at resource delineation stage
- porphyry copper-gold system inferred nearby
- nickel-cobalt laterite prospect



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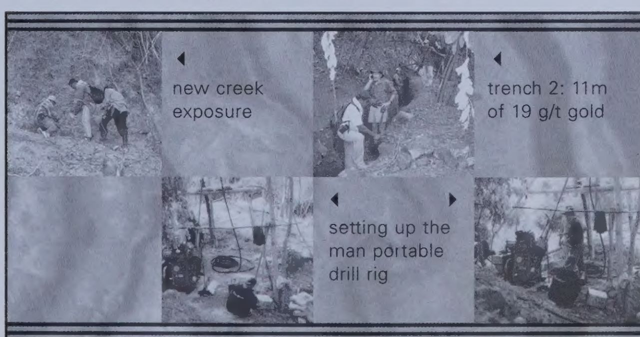
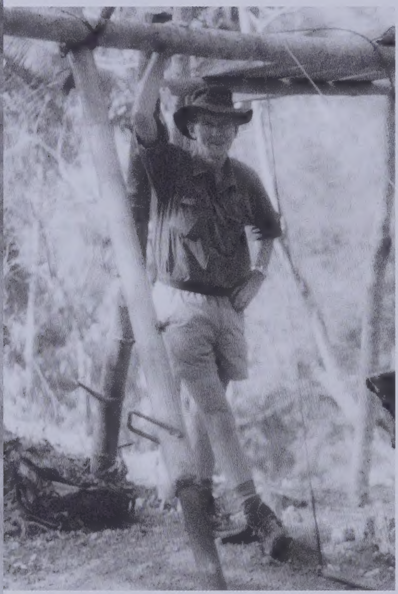
Mindoro Resources Ltd.

- *aggressively exploring for gold and gold-copper in the high-potential magmatic arcs of the Asia-Pacific Region*
- *present focus: an outstanding project portfolio in the Philippines*

Front Cover: Lobo Project, SW Breccia Zone



Letter from the President



"...at last, the outlook is much better and, with our promising projects, we are well-positioned for success and growth."

Drilling at Lobo

At the time of writing we have commenced drilling on our Lobo Project, Philippines, although we do not yet have drilling results to report. The surface results that we have had from the SW Breccia Zone at Lobo have been very encouraging indeed, and we have had high gold values over very good intervals from trenching. Geological mapping suggests mineralization is associated with a series of closely-spaced, mineralized pipe-like bodies, that appear to have good tonnage potential. We, therefore, look forward with keen anticipation and optimism to the drilling results. As in all mineral exploration ventures, it is only drilling that reveals the real potential of a prospect.

Unique Opportunities

The Lobo and Archangel Projects were acquired during the very poor mineral market conditions of 2000, when these unique opportunities presented themselves. This was at a time when most junior companies were in a survival mode, and not taking on new projects; even majors showed little taste for new acquisitions. The fact that Lobo has seen no modern exploration astonishes me. It is one of those projects that has slipped through the cracks, and one that most geologists dream about exploring. Actually, we have a considerable challenge in defining the highest priority prospects at Lobo, since there are two major trends, each over two km in extent, that show extensive evidence of epithermal gold-silver-(copper) mineralization.

The SW Breccia Zone is just one of many exciting targets we have at Lobo, and we look forward to advancing other prospects to the drill stage. It is also likely that the epithermal mineralization occurs above a porphyry copper-gold system; which presents a large tonnage target. This model is consistent with other Philippine copper-gold systems. However, at this time our focus is to discover and define high-grade epithermal gold resources that present an early development opportunity. Several other companies have expressed interest in participating at Lobo, but we will do everything possible to preserve our full 75% earning entitlement. Hence our innovative deal with a drilling company to drill at Lobo in exchange for equity in Mindoro.

Archangel Resource

During 2002, on the nearby Archangel Project, Mindoro commissioned an independent resource estimate on the Kay Tanda epithermal gold prospect. This resulted in an inferred resource estimate of 17,000,000 tonnes at 0.68 grams per tonne gold and 2.48 grams per tonne silver, or 370,000 ounces of gold and 1,300,000 ounces silver. This is near-surface and is a mixture of oxide and sulphide material. It is not yet known if this is amenable to low-cost, heap-leach processing. This is a substantial gold resource that warrants further evaluation of its development potential. The mineralization appears to be open in several directions and contains higher grade sections that have not yet been evaluated.

Also at Archangel, reconnaissance mapping indicates that alteration associated with the Balibago porphyry copper-gold system extends over a very large area of 3 km by 1 to 1.5 km. I am confident Balibago will attract a major partner as the metal market continues to improve, and majors emerge from their long exploration slumber.

Strong Position in Surigao Gold District

Turning to the Surigao Gold District, northeast Mindanao, the Philex Gold/Anglo American joint venture continues work on its major Boyongan porphyry copper-gold deposit. Philex Gold has announced that a second porphyry system has been discovered to the northwest of Boyongan and, possibly, a third porphyry system to the southwest. Mindoro has a major land position (25,000 ha) in the Surigao Gold District, with four projects: Mat-I, Tapian San Francisco, Tapian Main and Agata.

At Tapian San Francisco, we have a porphyry copper-gold prospect that is on a structure extending from Boyongan, as well as a number of epithermal gold prospects. At Agata, a 1999 reconnaissance drill program encountered encouraging gold results on two prospects. These are both at the resource-delineation stage. This is a strong position in a very promising district that is expected to attract joint venture and financing interest as the metal resource market continues to improve.

Pan de Azucar Drilling

Our 2001, Phase 1 drill program at the Valderama Prospect, Pan de Azucar Project, had given encouraging gold-silver-copper-zinc values from a massive pyritic-sulphide deposit discovered by Mindoro. The subsequent Phase 2 drilling in 2002 was disappointing. Results indicate that the copper-gold-silver-zinc mineralization is irregular. Although the Valderama Zone is still under-drilled, and open in several directions, the Phase 2 results have reduced the potential for an economic resource.

However, the Valderama epithermal deposit is inferred to be related to an adjacent porphyry-copper-gold system. In fact, a shallow drill hole completed on the adjacent Asparin Hill target, intersected alteration and disseminated copper mineralization characteristic of porphyry copper-gold systems. Future work at Pan de Azucar will focus on Asparin Hill and a major partner will be sought for this.

Positioned for Success and Growth

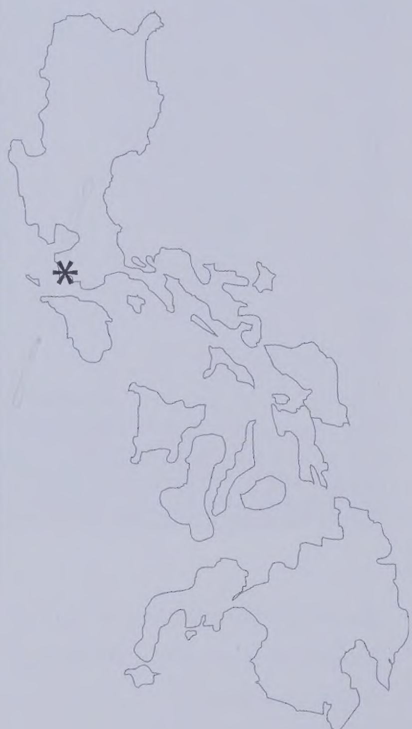
I am tremendously enthusiastic about the coming year. The gold price, after discounting the Iraq War factor, appears poised to gradually continue its upward trend, and interest in the metal resource market is returning. After several years of tough sledding, at last, the outlook is much better and, with our promising projects, we are well-positioned for success and growth.

My sincere thanks to Penny Gould, who assumes so many roles at the Canadian end, allowing me to focus on advancing our projects. My gratitude to Peter Draper, the Aussie driller, who shares my very great enthusiasm for Lobo and Archangel, and whose support has provided Mindoro with new momentum. Thanks also to our directors, and to Gerhard Kirchner, our mining engineer director, for his energetic technical input. I especially thank our shareholders for their continuing loyal support.

Tony Climie

Tony Climie, President and CEO
April 22, 2003

Lobo Project



Two major epithermal vein / breccia systems defined (Camo and Sampson Trends); each over 2 km in extent, with widely-distributed, high gold-silver-(copper) values; multiple targets. High gold values from trenching of SW Breccia Zone on the Camo Trend. Remaining, high-grade gold resources in Lobo Mine on Sampson Trend. A mineralized porphyry copper-gold system inferred nearby.

Area and Location

MPSA covers 1,163 ha in Batangas, Southern Luzon, Philippines. Due to encouraging exploration results at Lobo, application has been made for extensive additional holdings, and negotiations are in progress to acquire lands held by other companies in the area (see Lobo and Archangel Projects-Location, page 5).

Tenement

MPSA granted by the Department of Environment and Natural Resources on November 21, 2002.

Ownership

Mindoro may earn 75% interest from a private Philippines company through phased exploration expenditures.

Geology and Mineralization

Geology consists of hydrothermally altered volcanics intruded by hornblende porphyry intrusions, and overlain in places by younger cover volcanics and limestone. Five circular magnetic anomalies are interpreted as intrusions at unknown depths.

Reconnaissance work late in 2001 outlined two major epithermal veins/breccia systems, the Sampson and Camo Trends, 0.8 km apart, and each over 2 km in strike, with vein widths to at least 24 meters. Dimensions and shape of breccia zones are uncertain at this time. Reconnaissance rock sampling indicates that high copper-gold-silver values occur widely distributed across the property (see Lobo Compilation, page 6).

Main Targets on Sampson Trend

The Sampson Trend extends approximately 2 km in a northeast direction, and can be traced via abundant mineralized quartz-barite-sulphide vein/breccia float, and rare outcrop or subcrop. The main prospects identified to date are:

Lobo Mine

The Lobo Mine operated between 1966 and 1969, with underground production from three levels on a high-grade copper (gold-silver) vein over a vertical range of 50 m and 350 m horizontal extent. Copper head-grade was reported as 2.67%. Mining ceased due to economic factors at that time. Despite reported high gold grades in places, gold was not a significant component due to the prevailing $30 per ounce gold price. The Philippines Mines and Geosciences Bureau reported (1986) a remaining mining reserve of 90,700 tonnes at a high grade of 20.5 g/t gold (60,000 contained ounces). It is unlikely that this reserve figure would meet current ore reserve standards, but nevertheless points to the potential occurrence of significant resources. Mineralization is believed to be open to depth and along strike.

Far Northeast (FNE)
FNE is at the far northeastern part of the Sampson Trend. Subcropping quartz-barite-sulphide boulders are scattered in a creek and on an adjacent ridge. A grab rock sample assayed 0.10 g/t gold, 1,792 g/t silver (57.6 ozs per tonne) and 8.68% copper. Based on extent of the subcrop, the vein appears to be at least 8 m wide at this location. Copper oxides (malachite and azurite) are intensely developed. A different style of mineralization occurs nearby, where a float grab sample of altered andesite with disseminated sulphides and malachite, assayed 0.24% copper.

Calumpang
A smaller vein system, several hundred meters northwest of the Sampson trend, Calumpang is an historical prospect mined for barite. A grab sample gave 1.92 g/t gold and 15.9 g/t silver.

Balisong
Further again to the northwest, the Balisong Vein is at least 5 m wide. Copper-stained quartz-barite float boulders occur nearby.

Main Targets on Camo Trend

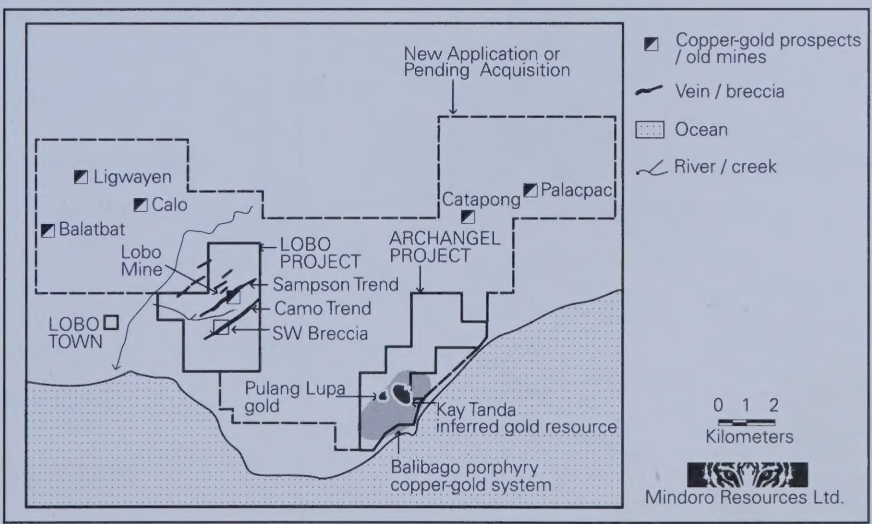
The Camo Trend is an approximately 2 km long trend, parallel to, and approximately 800 m southeast of the Sampson Trend. It can be traced via abundant mineralized and altered float boulders, and rare outcrop. Unlike the Sampson Trend, it appears to consist dominantly of hydrothermal breccia, with varying proportions of silica-barite-sulphide breccia material. Principal prospects located to date are:

Southwest Breccia (SWB)
SWB is a zone dominantly of gold-silver mineralization (eg. Dita Area) with copper in places (Jap Tunnel Area). SWB is situated in the southwest segment of the Camo Trend and is a high-priority drill target (see Lobo Project-Camo Trend SW Breccia, page 7). Historical investigation of SWB included limited selective mining of high-grade copper ore by the Japanese during World War II (Jap Tunnel Area) and barite (Dita Area) by Pan Philippines in the 1950's.

Rock exposure is only 10-15%. Detailed boulder mapping and trenching has traced mineralization over at least 500 m along-strike. Internal continuity of the zone has not been established at this time due to lack of outcrop. It appears to consist of a series of closely-spaced breccia bodies that may be circular, lensoidal, and partly tabular in places. Significant assay results of rockchip/channel outcrops and trench exposures include (see Lobo Project-Camo Trend SW Breccia, page 7):

- Dita Trench 1: 14.5 m of 24.67 g/t gold. Mineralization is open at both ends of the trench.

Lobo - Archangel Projects Location



- Dita Trench 2: (80 m NE of Trench 1) 11 m of 19.1 g/t gold. Mineralization appears to be open at both ends of the trench.
- Dita Area-outcrop: 5 m of 17.58 g/t gold (partly oblique to strike, due to orientation of outcrop). Mineralization is open in all directions.
- Jap. Tunnel outcrop: 5 m of 6.63 g/t gold, 9.9 g/t silver, and 1.15% copper. Open in all directions.

Epithermal style mineralization at SWB Zone is structurally controlled, as it is through the entire Camo and Sampson Trends. SWB Zone appears to be a structurally-controlled zone of multiple, cylindrical to tabular, probably coalescing, hypabyssal breccia pipes at the top of a mineralized porphyry intrusive.

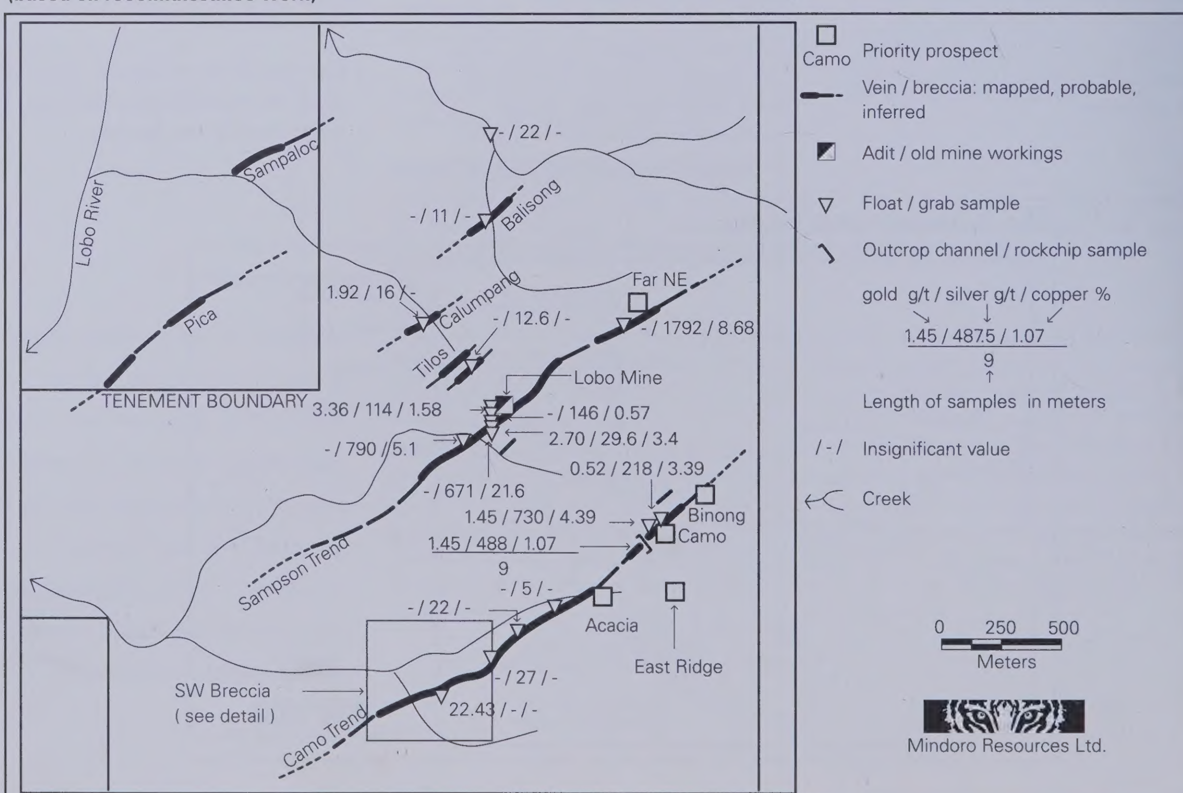
Camo

There are at least three adjacent prospects (Camo 1, 2 and 3) in the central-northeastern part of the Camo Trend, where there are abundant highly-mineralized float boulders. Outcrop is rare. Camo 1 is a quartz-barite-sulphide vein/breccia zone from which a channel sample assayed 9 m of 1.45 g/t gold, 488 g/t silver and 1.07% copper (the sample is partly oblique to true width). Extent of this zone is unknown at this time due to limited outcrop. Camo 2 nearby, can be traced at least 150 m along strike, with widths up to 5 m. Sampling of vein float at Camo 2 gave up 0.52 g/t gold, 218 g/t silver, and 4.39% copper. Camo 3, located 60 meters northeast of Camo 2, is a steeply dipping zone of intensely fractured to brecciated rock . A 3 m rockchip assayed 58 g/t silver and 1.1% copper.

East Ridge

This area, just southeast of the Camo vein/breccia zone, has widespread, altered boulders of intense quartz-clay-sulphide altered volcanic tuff, with disseminated hematite and

Lobo Project Compilation
(based on reconnaissance work)



chalcopyrite. Mineralization appears to be very high-level epithermal and proximal to a thin silica cap. Vein/breccia mineralization is suspected below the silica cap. An old barite prospect is situated nearby.

Potential

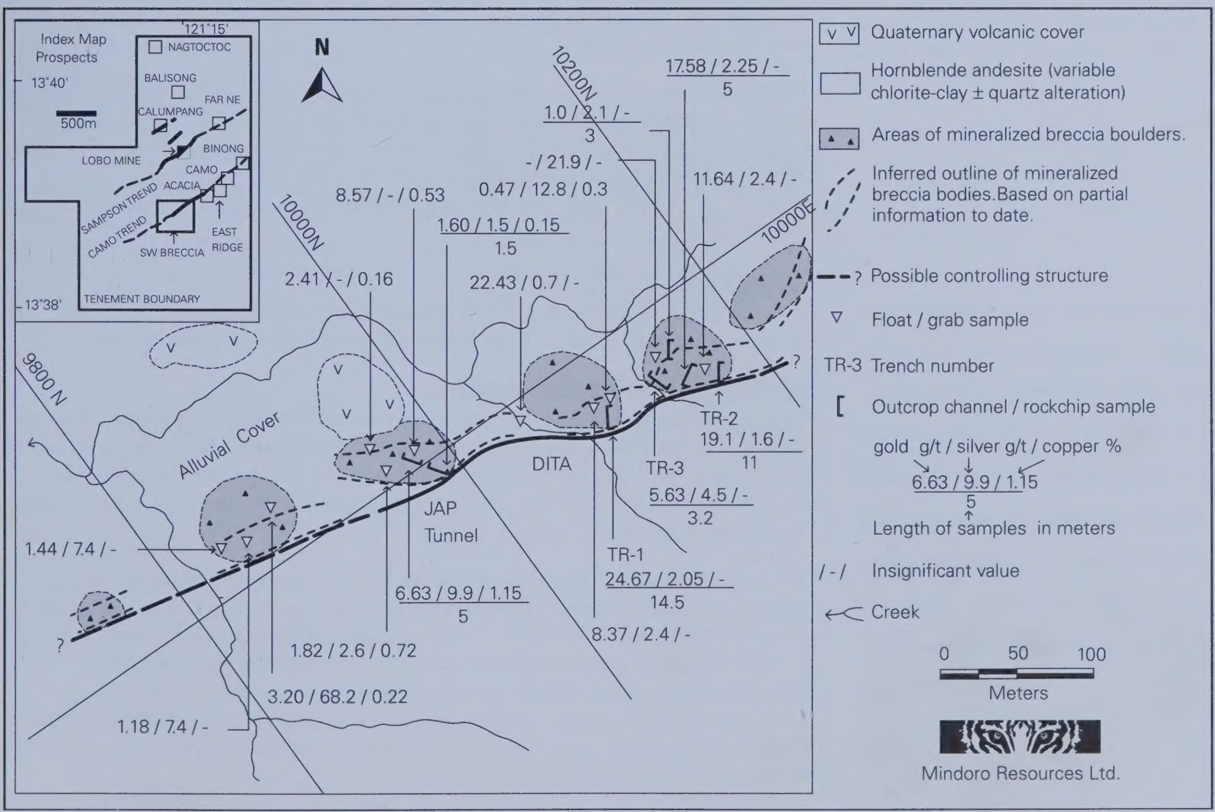
The Sampson and Camo Trends, and other smaller trends, are high sulphidation (but may include low-sulphidation phases, eg. Dita Area in SWB) epithermal veins and breccias. Work to date suggests the presence of high grades in places – probably as multiple mineralized shoots and breccia bodies along the trends. There are numerous mineralized showings and this has presented a challenge to define the priority targets for initial follow-up. No systematic modern exploration has previously been performed on the project, and potential for defining economic deposits is considered high.

The high-sulphidation, epithermal veins and breccias, a cluster of airborne magnetic anomalies, and a potassium anomaly, suggest a mineralized porphyry system occurs in proximity

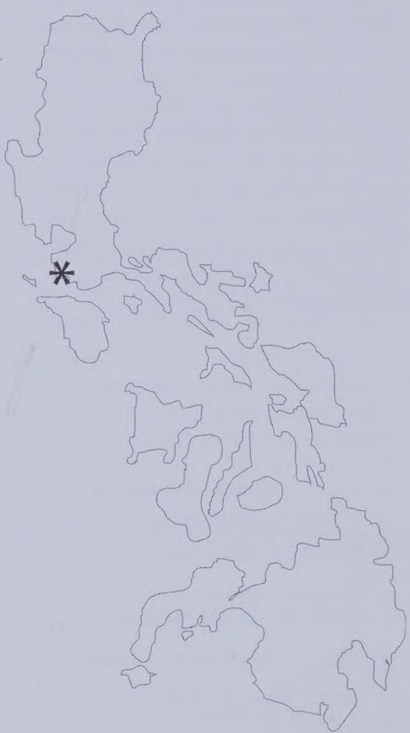
Plans

Detailed geological/structural mapping and trenching are being carried out on selected areas to refine drill targets. The initial drilling will focus on the high-grade gold mineralization encountered in the SWB Zone of the Camo Trend. Work will extend to other epithermal targets on the Camo and Sampson Trends, and then to the porphyry targets later in the program. At the time of writing, a first phase drill program had commenced.

Lobo Project - Camo Trend SW Breccia Zone



Archangel Project



Extensive porphyry copper-gold alteration system, with peripheral and overlying gold resources. Total inferred resource of Kay Tanda prospect estimated at 370,000 ounces gold and 1,300,000 ounces silver - open in several directions; evaluation of economic potential planned. The underlying Balibago porphyry copper-gold system mapped over 3 km by 1 to 1.5 km. Major partner will be sought to drill-test Balibago.

Area and Location

MPSA covers 1,011 ha in Batangas, Southern Luzon, Philippines. Due to encouraging exploration results at Lobo and Archangel, application has been made for extensive additional holdings, and negotiations are in progress to acquire lands held by other companies in the area (see Lobo and Archangel Projects - Location, page 5).

Tenement

MPSA granted by the Department of Environment and Natural Resources on November 21, 2002.

Ownership

Mindoro may earn 75% interest from a private Philippines company (Egerton Gold Philippines Inc.) through phased exploration expenditures.

Geology and Mineralization

The Archangel Project covers a gold-copper system five km southeast of the Lobo Project. Geology consists of strongly altered volcanics intruded by andesitic and dacitic intrusives, and overlain by younger cover volcanics to the north and west. High-sulphidation gold and gold-copper mineralization occurs in strongly altered volcanics in several areas, and includes the Kay Tanda and Pulang Lupa gold resources. An underlying porphyry copper-gold system (Balibago Prospect) has been exposed by erosion.

The Chinese and Spanish mined copper and gold at Archangel in earlier centuries, and the Japanese mined copper during WW 2. Western Mining Corporation of Australia defined strong copper soil anomalies over the Balibago Prospect in 1987-1989, but focused on the gold potential of Kay Tanda and Pulang Lupa. Chase Minerals, in alliance with BHP Minerals, further drill-evaluated this gold potential in 1995-1998.

Pulang Lupa

Only three holes were completed on Pulang Lupa, all intersecting low-grade mineralization (best Hole 12 m of 2.3 g/t gold). The mineralization is open.

Kay Tanda – Inferred Gold Resource

An independent resource study was commissioned in 2002 by Mindoro. This was restricted to Kay Tanda, where Western Mining Corporation drilled three diamond drill holes in 1987, and, in 1996, Chase Minerals Ltd. completed nine reverse circulation holes. Work to date has been confined to a limited area within a much larger area of anomalous soils.

Gold and silver resources were estimated for both the near-surface oxide and underlying sulphide mineralization. Accuracy and precision of the analytical data are uncertain because, although a reputable laboratory was used, quality control procedures by the operators did not meet current standards for resource determination, and the results may be considered approximate only. The consultants note, however, that the drilling was carried out to standards typically employed in North America and Australia during exploration and that they have no reason to doubt the reliability of results.

Inferred mineral resource of the oxide zone is 6,300,000 tonnes at a grade of 0.48 g/t gold and 4.4 g/t silver. The underlying sulphide mineralization has an inferred mineral resource of about 10,700,000 tonnes at 0.79 g/t gold and 1.3 g/t silver. The total inferred resource of both oxide and sulphide material is estimated to be about 17,000,000 tonnes of mineralized material at 0.68 g/t gold and 2.48 g/t silver. This equates to 370,000 ounces gold and 1,300,000 ounces silver contained in the total inferred resource.

Both the thickness and grade of the oxide and sulphide zones appear to increase to the east, where potential exists for additional tonnages. There is a good possibility that precious metals were deposited from solutions passing up northeasterly-striking faults or fracture systems, and grade may increase towards such structures (e.g drill-hole CA-02 with 6 m at 8.61 g/t gold is thought to reflect such mineralization). Mineralization at Pulang Lupa is probably of similar type to Kay Tanda and has potential for additional resources. Most of the Kay Tanda inferred resource is non-oxide material and therefore may not be amenable to low-cost processing.

Balibago Porphyry Copper-Gold System

Reconnaissance work has defined a very large alteration system, characteristic of a porphyry copper-gold deposit. Silica-chlorite-sericite alteration has been defined over an area of 3 km by 1 to 1.5 km wide. This is covered by younger rocks in the north and west. Copper oxide showings are present in at least six widely distributed locations. Extensive and strong copper soil anomalies were previously defined by international companies (Western Mining, BHP and Chase Resources), but were not drilled, since these companies focused on the Kay Tanda gold prospect.

Potential

The partially unroofed, and very large Balibago porphyry copper-gold system is a promising drill target. While the priority for Mindoro remains drill-testing of Balibago, there is a substantial gold resource inferred at Kay Tanda and, with the improving gold price outlook, the significance of this resource warrants evaluation. Mindoro management is encouraged by the size of the initial inferred gold resource estimate for Kay Tanda, and considers this a strong basis for further evaluation of its economic potential.

Plans

Due to the size and scope of the Balibago copper-gold system, Mindoro is seeking a joint venture partner to advance this. It is planned to undertake detailed geological work on the Kay Tanda and Pulang Lupa resources, as well as metallurgical studies to determine leachability, and amenability to advanced processing technology, such as bacterial-assisted leaching. If results are encouraging, then drilling would be carried out to expand the resource and to locate higher-grade zones.

Pan de Azucar Project

Area and Location

Mineral Production Sharing Agreement (MPSA) covers 535 ha on Pan de Azucar Island and adjacent Panay Island, Philippines.

Tenement

MPSA was approved by the Department of Environment and Natural Resources on May 20, 1999.

Ownership

Under a 1997 agreement with a private Philippines company, Mindoro may earn 75% equity in the Pan de Azucar Project through phased exploration expenditures. Mindoro has earned a 40% interest to date.

Geology and Mineralization

The Pan de Azucar Prospect is located within a collapse caldera structure, where the dacitic-andesitic caldera-fill package hosts pervasive replacement and structurally-controlled alteration and mineralization. Dacitic units are preferred hosts to mineralization. The caldera-wall consists of unaltered andesite porphyry exogenous domes and andesitic non-welded ignimbrites. A zone of massive pyritic sulphide, with copper-gold-zinc-silver mineralization was discovered by drilling in 2001 (Valderama Zone), and a porphyry copper-gold target located in 2002 (Asparin Hill).

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A shallow drill hole completed on the Asparin Hill target intersected alteration and disseminated copper mineralization characteristic of porphyry copper-gold systems. A major partner will be sought to drill-test Asparin Hill.

Valderama Zone

A 2001 scout drill program (1,041m) encountered promising copper, gold, silver and zinc values at shallow depths; e.g. drill hole PDA-03 with 37.1 m of 0.8% copper, 1.87 g/t gold, PDA-06 with 37.00 m of 0.14 % copper, 1.25 g/t gold , and PDA-08 with 40.25 m of 0.69 % copper, 1.21 g/t gold, 4.34 g/t silver, and 0.63% zinc. A Phase Two drill program in 2002 (431 m) encountered grades of lower tenor than those for Phase 1. Best results were: PDA-12 with 32.26 m at 0.59 g/t gold and 36.24% sulphur; PDA-13 with 6.00 m at 0.59% copper; and a 9.00 m section with 0.41 % copper and 0.49 g/t gold; PDA-15 (a re-drill of PDA-13 which was lost due to faulting) with 3 m at 0.16% copper and 0.66 g/t gold, as well as 8 m at 0.33% copper, and 9 m (24.00 – 33.00 m) at 0.54 g/t gold and 34.66% sulphur.

The Phase 2 results indicate that the later copper-gold-silver-zinc mineralizing event (superimposed on the massive pyritic sulphide zone) was irregular and erratic. Although the Valderama Zone is still under-drilled, and open in several directions, the Phase 2 results have reduced the potential for an economic copper, gold, silver, zinc resource. The zone is open to the north, for a further 250-300 m, to the property boundary, where gossanous outcrops are present.

Based on drilling to date, the Valderama Zone averages between 36% and 40% sulphur, is near-surface, and a few hundred meters from tide water. It may, therefore, have potential for a low-cost sulphur source for sulphuric acid production for treatment of the numerous lateritic nickel deposits, expected to go into production in the Philippines and elsewhere in the region, and for fertilizer production. Mindoro's main priority, however, will be other copper-gold targets on the Pan de Azucar Project, and Mindoro projects elsewhere. The Valderama epithermal replacement zone is considered to be the high-level reflection of an adjacent porphyry-copper-gold system.

Asparin Hill Target

A shallow (45 m) drill hole (PDA-16) was completed on the Asparin Hill target, approximately 700 m west of the Valderama Zone, to test an area of gossanous quartz-alunite boulders, the strongest geochemical anomalies on the project, a coincident circular topographic depression (300 m in diameter), and a broad magnetic anomaly. This intersected intensely altered dacitic rocks with an: (a) earlier pervasive illitic/sericitic alteration, which is overprinted by (b), K-silicate alteration, characterized by hydrothermal biotite and minor chlorite, and itself overprinted by (c) later sericite-chlorite alteration. Disseminated and veinlet chalcopyrite mineralization occurs in PDA-16, and associated with the potassic alteration; both are characteristics of porphyry copper systems.

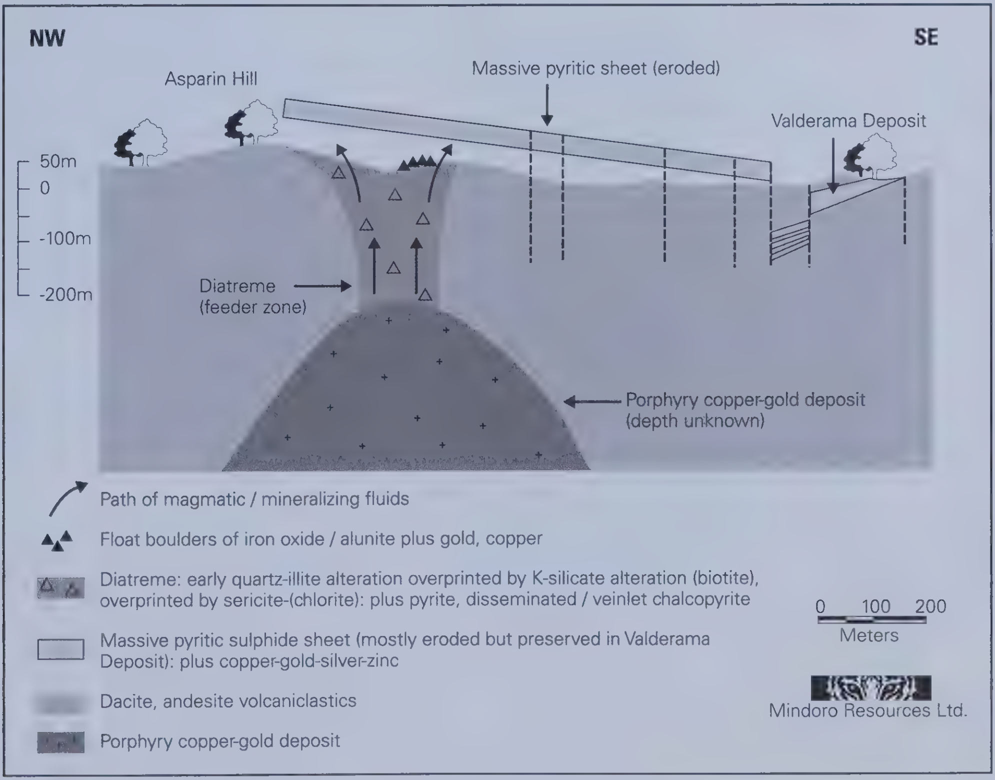
According to an independent petrologist, the occurrence of chalcopyrite together with K-silicate (potassic) alteration indicates a possible porphyry copper mineralization at depth, and Asparin Hill is considered a highly prospective site for a high-level intrusive or breccia body, which may host porphyry style mineralization.

The accompanying figure is the exploration model for Pan de Azucar, showing the interpreted relationship between the Valderama Zone and a porphyry system below, and adjacent to Asparin Hill. Pan de Azucar occurs in a known porphyry copper belt; four deposits were previously mined on neighboring Negros Island.

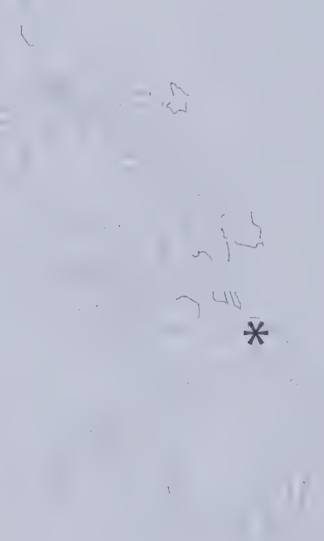
Plans

Future work will focus on the Asparin Hill porphyry copper-gold target, and a major partner will be sought for this work.

Pan de Azucar Project Mineralization Model



Surigao Projects and Boyongan Discovery



In September, 2000, the Philex Gold / Anglo American joint venture announced spectacular drill results at their Boyongan prospect in the Surigao Gold District. Subsequent drilling has outlined a major porphyry copper-gold deposit. Philex has announced that a second porphyry system has been discovered to the northwest of Boyongan and, possibly, a third porphyry system to the southwest (April, 2003 release). Drilling is continuing and a fifth large capacity rig is being mobilized to augment the Anglo drilling fleet, plus an additional medium capacity rig for scout drilling. Given the significance of the Boyongan discovery, it is likely the Surigao Gold District will undergo extensive exploration for new porphyry copper-gold deposits, as well as for epithermal gold deposits.

Mindoro already had four projects in the district, which it had been exploring since 1997; the Mat-I, Tapian San Francisco, Tapian Main and Agata Projects. On announcement of the Boyongan discovery hole, Mindoro immediately made application for an additional 16,929 hectares of land, to bring total holdings and application lands to approximately 25,044 hectares. This is a strong land position, in a highly prospective district, that is expected to attract joint venture and financing interest as the metal resource market continues to improve. The following summarises results to date on the Mindoro projects (see Surigao and Mindoro Projects, page 13).

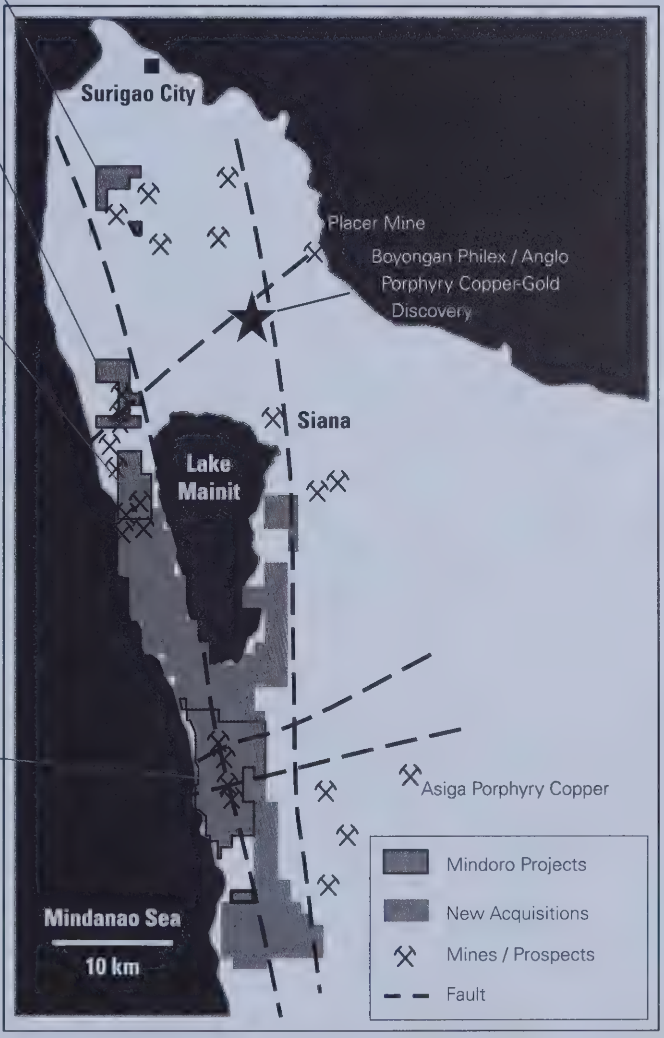
Mat-I
- Gold and copper soil anomalies.

Tapian San Francisco
- Gold Hill Prospect: Porphyry copper-gold prospect on major structure extending from proximity of Anglo/Philex Boyongan discovery 10 km to northeast; approaching drill stage.
- Peripheral gold prospects.

Tapian Main
- Epithermal gold prospects; at the trenching stage.
- Copper soil anomalies.

Agata
- *Assmicor Oxide Prospect:* intrusive-hosted, near-surface gold mineralization (reconnaissance drilling results to 24 meters of 1.4 g/t gold); at drill resource delineation stage.
- *Assmicor Porphyry Copper-Gold Prospect:* geological and geochemical indications of a porphyry copper–gold system immediately east of Assmicor Oxide and Limestone Prospects.
- *Limestone Prospect:* Carlin-style, replacement mineralization in silty limestones (two reconnaissance drill holes: 7 meters of 2.7 g/t and 8 meters of 2.2 g/t gold); at drill resource delineation stage.
- *Tubay Copper Target:* large copper soil anomaly in volcanics at major structural intersection; possible porphyry copper (-gold) target.
- *Nickel-Cobalt Laterite Prospect:* economically interesting values obtained from preliminary work.

Surigao and Mindoro Projects



Tapian San Francisco Project

Area and Location

MPSA application covers 1,134 ha in the Surigao Gold District (see Surigao-Mindoro Projects).

Tenement

MPSA application is in advanced stage of approval.

Ownership

Mindoro may earn 75% from a private Philippine company through phased exploration expenditures.

Geology and Mineralization

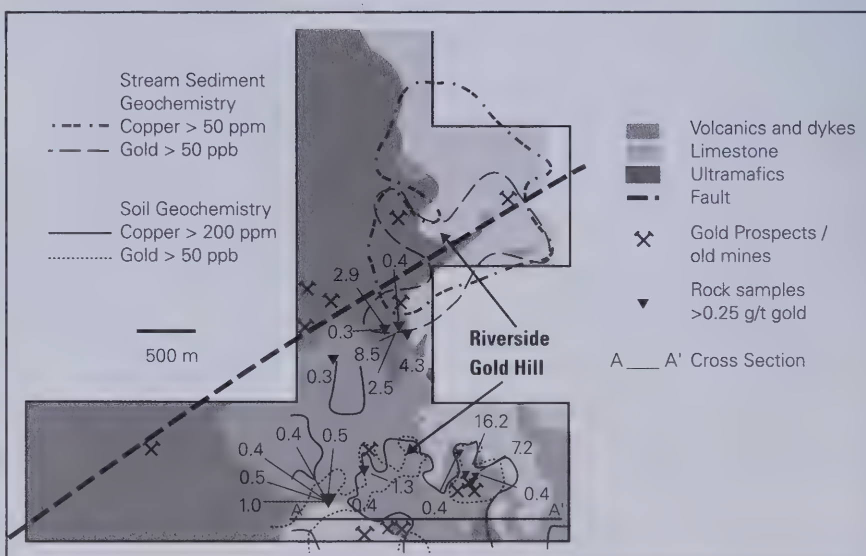
Geology consists of volcanics, overlying limestone and ultramafics, all intruded by intermediate intrusives (see Tapian S/F Compilation, below). The volcanics, and related intrusions are Pliocene age (Mabuhay Formation), the important mineralizers in the district. In the north, intrusives have been unroofed by erosion. In the south, near Gold Hill, related dikes, extensive hydrothermal alteration, widespread mineralization and geochemical anomalies in volcanics indicate the intrusives likely occur at shallow depths.

Hydrothermal alteration is extensive and pervasive. Alteration assemblages are propylitic, phyllic, calc-silicate, argillic and potassic. Hydrothermal breccias are common. Therefore, alteration characteristic of porphyry copper-gold systems is present. Abundant hydrothermal pyrite and magnetite are also present. Trace to 2% chalcopyrite occurs in 4 of 14 rock samples submitted for petrologic studies.

Gold Hill Prospect

Soil geochemistry surveys (1,063 samples) defined strong, northeast-trending

Tapian San Francisco Compilation



A major northeast to southwest striking fault extends from the major Anglo American / Philex Gold Boyongan porphyry copper-gold discovery, directly through Tapian S/F, where strong and extensive copper and gold anomalies and gold prospects are associated with this fault. Features of a porphyry gold-copper system are recognized, and geological setting appears similar to that of Boyongan.

copper anomalies (greater than 200 ppm copper and up to 1,700 ppm) semi-continuously over an area of 1.5 km by 1.0 km, termed the Gold Hill Prospect. There are two coincident gold anomalies (greater than 50 ppb and up to 10,100 ppb), extending over 1.0 km by 0.4 km, and 0.4 km by 0.4 km. Coincident arsenic (to 1,120 ppm), lead (to 15,900 ppm), silver (to 57.1 ppm) and zinc (to 1,600 ppm) anomalies are also associated.

Systematic rock sampling of abundant old gold mines and workings in the area has not yet been undertaken. However 54 rock samples, mostly grabs of float and outcrop varied from 0.01 to 16.2 g/t gold (average 0.4 g/t). Copper mineralization was visually and petrologically identified in numerous locations, however, copper analyses were not performed.

Riverside Prospect

18 stream sediments collected at Riverside Prospect, approximately 800 m to the north of Gold Hill, gave strongly anomalous results for gold (from 5 to 1,043 ppb gold, average 136 ppb), copper (50 to 133 ppm), and zinc (41 to 113 ppm). These define a broad anomalous zone of coincident gold, copper, zinc and arsenic anomalies extending over approximately 1.75 km by 1.3 km. No soil geochemistry, or systematic geological work has yet been performed over this prospect. The anomaly trends southwest towards Gold Hill, and is interpreted to be part of the same, large mineralization system.

Structural Controls of Boyongan and Tapian San Francisco

A Radarsat interpretation (DOZ Technologies of Quebec) and Mindoro fieldwork indicate a strong northeast-southwest fault control of mineralization and anomalies at the Gold Hill and Riverside Prospects. A major northeast-southwest trending fault bounds the Boyongan Discovery along its northern side. The southwestern extension of this fault is obvious on topographic maps and can be traced along major rivers 10 km to the southwest, where it extends directly into the Riverside Prospect (see Surigao and Mindoro Projects, page 13). The fault then extends a further 4.5 km through Tapian S/F and out into the Mindanao Sea. This fault extending from the Boyongan area, is considered to be a major control of the mineralization at Tapian S/F.

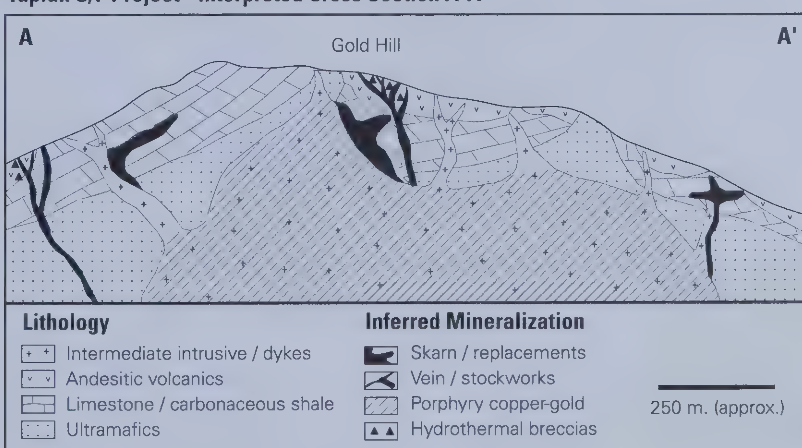
Potential

The abundant Gold Hill prospects are interpreted as epithermal to mesothermal occurrences related to an underlying porphyry mineralisation system (see Tapian S/F Project - Interpreted Cross Section A-A', below). The geochemical, geological and alteration features are consistent with a porphyry copper-gold system that is just becoming unroofed by erosion, and that occurs at shallow depth beneath Gold Hill, likely extending northeast to the Riverside Prospect. There is also potential for significant Carlin-style gold mineralization in the limestone / carbonaceous shales peripheral to the porphyry intrusion.

Plans

Further geochemical and geological surveys to fully define the porphyry copper-gold prospect, ground geophysics followed by drilling.

Tapian S/F Project - Interpreted Cross Section A-A'



Tapian Main Project

Area and Location
MPSA application covers 1,296 ha in the Surigao Gold District.

Tenement
MPSA application is in advanced stage of approval process.

Ownership
Mindoro may earn 75% from a private Philippine company through phased exploration expenditures.

Geology and Mineralization
Geology consists of greenschist overthrust by ultramafics, unconformably overlain by limestone and intruded by intermediate porphyries. High-level epithermal gold mineralization occurs as veins, stockworks and breccias at contacts between greenschist, ultramafic, limestone and intrusives. The principal areas of interest are Rosario and Samson Zones, as defined by greater than 100 ppb gold soil anomalies.

The Rosario Zone is about 500 by 200 m and open to the north. It includes extensive pre-World War II underground development of a vein system, which had a 100 ton per day mill. The workings are inaccessible and production is unknown. Very incomplete pre-World War 2 records suggest grade was about 8.3 g/t gold.

The Samson Zone is about 600 by 200 m. Encouraging gold values from rock sampling were obtained over widespread areas. Rock channel samples gave values to 1.2 g/t gold over a true width of 24.2 m and 3.1 g/t over 8 m. Grab samples gave values to 14.4 g/t gold. Of particular note is the extent of altered and mineralized limestone, which gave values to 26.4 g/t gold over 1.4 m.

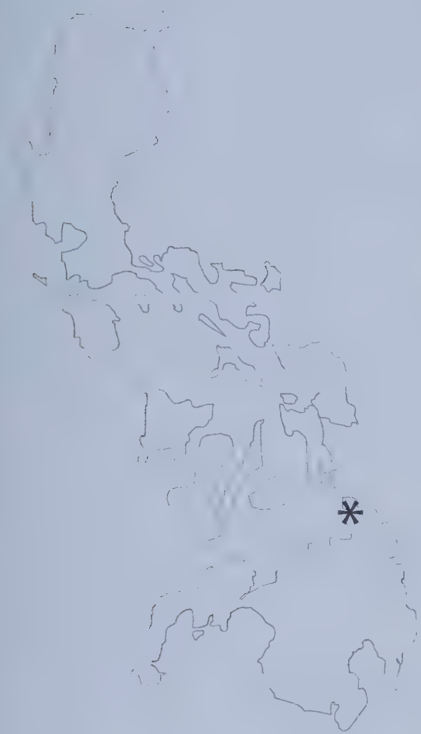
Copper soil anomalies (greater than 150 ppm and up to 1,192 ppm) are associated with the Rosario and Samson zones. Significance is uncertain at this time.

Epithermal gold mineralization occurs in veins, stockworks and breccias in two zones; one with substantial pre-World War II development; associated copper in soil and stream sediment anomalies.

Potential
Extent of previous work on the Rosario Zone, prior to interruption by World War 2, suggests good remaining potential. Extent of mineralization in the Samson Zone, especially in the limestone, is of potential interest. Expected mineralization styles in both zones are epithermal veins, stockworks and breccias, as well as skarn and / or replacement mineralization in limestone. Porphyry copper-gold mineralization is possible at depth.

Plans
Trenching of mineralized showings in the Samson Zone. Significance of copper in soil anomalies will be evaluated.

Agata Project



A highly mineralized project. Abundant gold (-copper) prospects are related to favorable structural settings at the intersection of major regional cross faults and splays of the Philippines Fault, which have focused mineralizing intrusions. Prospects include near-surface, oxide gold mineralization at the Assmicor Oxide Prospect, the adjacent Assmicor Porphyry Copper-Gold Prospect, sediment-hosted gold at the Limestone Prospect, and the Tubay Copper Prospect. In late 1999, a reconnaissance drill program intersected encouraging mineralization of greater than 0.5 g/t gold in 10 of the 11 holes on the Assmicor and Limestone Prospects.

Area and Location

MPSA covers 4,955 ha in the Surigao Gold District.

Tenement

MPSA granted by Department of Environment and Natural Resources on June 17, 1999.

Ownership

Mindoro may earn 75% interest from a private Philippines company through phased exploration expenditures. Mindoro has earned 40% to date.

Geology and Mineralization

Geology consists of greenschist overthrust by ultramafics, unconformably overlain by limestone and intruded by intermediate and alkaline intrusions. Early phyllic alteration is overprinted by propylitic alteration in many areas. There are abundant gold prospects and anomalies related to the intrusives. Less than 20% of the project has been covered by geochemical surveys to date. Strong gold and copper in soil anomalies have been defined over 2 by 1 km, encompassing clusters of gold showings associated with the American Tunnels, Assmicor and Limestone Prospects.

Work has been focussed on the Assmicor and Limestone Prospects to date, where a reconnaissance drill program of 797 m was carried out in late 1999. Four mineralized prospects have been defined to date: Assmicor Oxide (gold), Assmicor Porphyry (copper-gold), Limestone (gold), and Tubay (copper) Prospects.

Assmicor Oxide Prospect

During the 1980's, thousands of artisanal miners mined a saprolite (soil) horizon at Assmicor to shallow depths. In 1999, 7 of 8 drill holes intersected better than 0.5 g/t gold near surface in oxidized intrusives and dykes. The two best holes were Hole 5 with 1.1 g/t gold over 19 m and Hole 6 with 1.4 g/t gold over 24 m (see Assmicor Target Cross Section, page 18). The mineralization is open to the north and east.

Assmicor Porphyry Prospect

Drill Hole 11 was drilled just to the east of the oxide mineralization, in overburden-covered river flats, and intersected, in addition to short intervals of 0.5 and 0.6 g/t gold, 0.7% copper over 2.5 m (see Assmicor Target Cross Section, page 18). Intrusive and dyke rocks exhibit strong chlorite-quartz-actinolite-clay-pyrite-(chalcopyrite) alteration, possibly indicating a porphyry copper-gold system is being approached to the east.

Limestone Prospect

At the Limestone Prospect, geology consists of silty limestone with strong gold in soil anomalies occurring in an area of approximately 600 by 500 m. Artisanal miners previously panned gold from the soils and mined gold from shallow workings in the limestone. Holes 9 and 10 were drilled at the eastern edge of the soil anomalies and encountered 2.7 g/t gold and 2.2 g/t gold over 7 and 8 m respectively at shallow depths (see Limestone Prospect Interpreted Cross

Section, page 19). Sections of mineralization were also encountered deeper in both holes. Mineralization resembles important limestone-hosted gold deposits in Nevada, U.S.A. Extensive soil anomalies and workings over a vertical range of 120 m above these two drill holes suggest good tonnage potential.

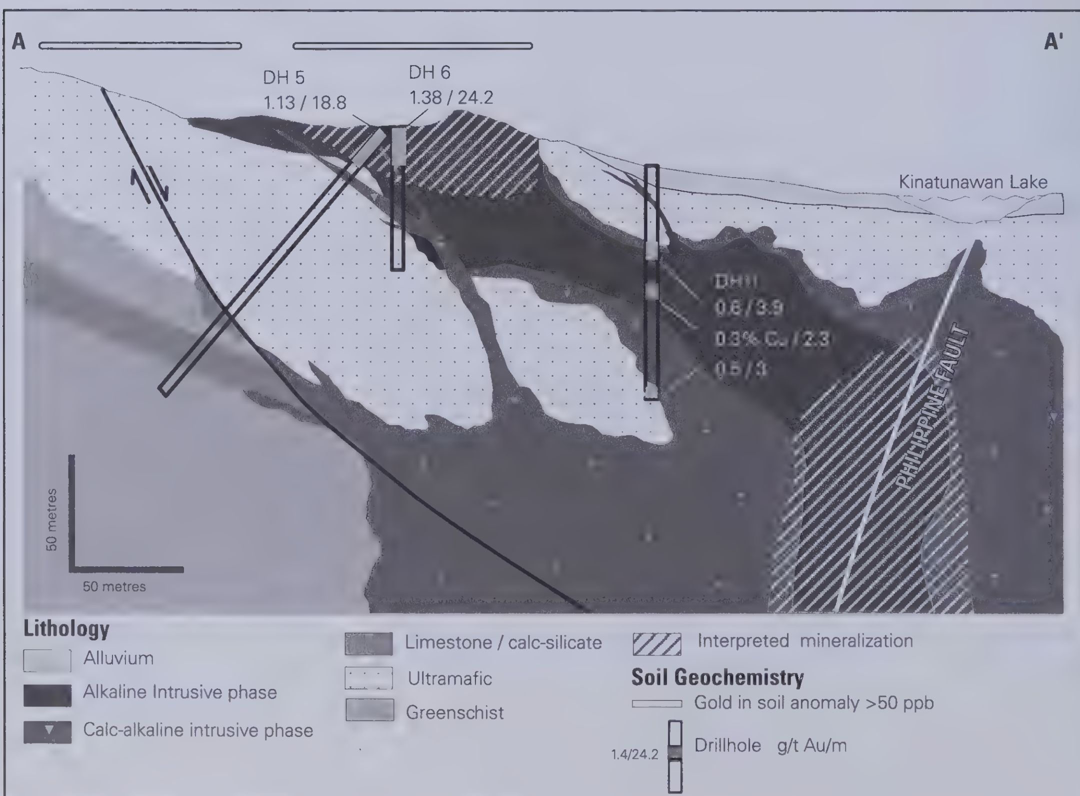
Tubay Target

The recognition that mineralization at Tapian San Francisco, and possibly Boyongan as well, is likely controlled by a major cross-fault near splays of the Philippines Fault led to closer attention to similar structural settings at Agata. A major cross-fault defined from RADARSAT data by DOZ Technologies (Quebec) cuts a splay of the Philippines Fault near the Asiga / Tubay River junctions. An extensive copper in soil anomaly (greater than 200 ppm and up to 295 ppm) extends over 1,400 by approximately 400 m, and is open to the south. Several spot gold anomalies are associated. The anomalies occur in volcanic tuffs which are suspected to be intruded by intrusive rocks. No follow-up work has been carried out to date.

Nickel-Cobalt Laterite Prospect

A laterite with significant nickel-cobalt values is extensively developed in the ultra-mafics at Agata over an area of 11 square kilometers. Re-sampling of 5 old exploration pits returned an average of 0.72% nickel and 0.07% cobalt from an aggregate depth of 23 m. Best pit returned 0.83% nickel and 0.08% cobalt over 9 m. Assuming an average thickness of just 5 m, there is potential for 60 million tonnes of lateritic material. Laterite mines currently going into production have somewhat higher grades than this (around 1% nickel, or greater); however, this prospect is likely to be of interest in coming years.

Assmicor Target Cross Section



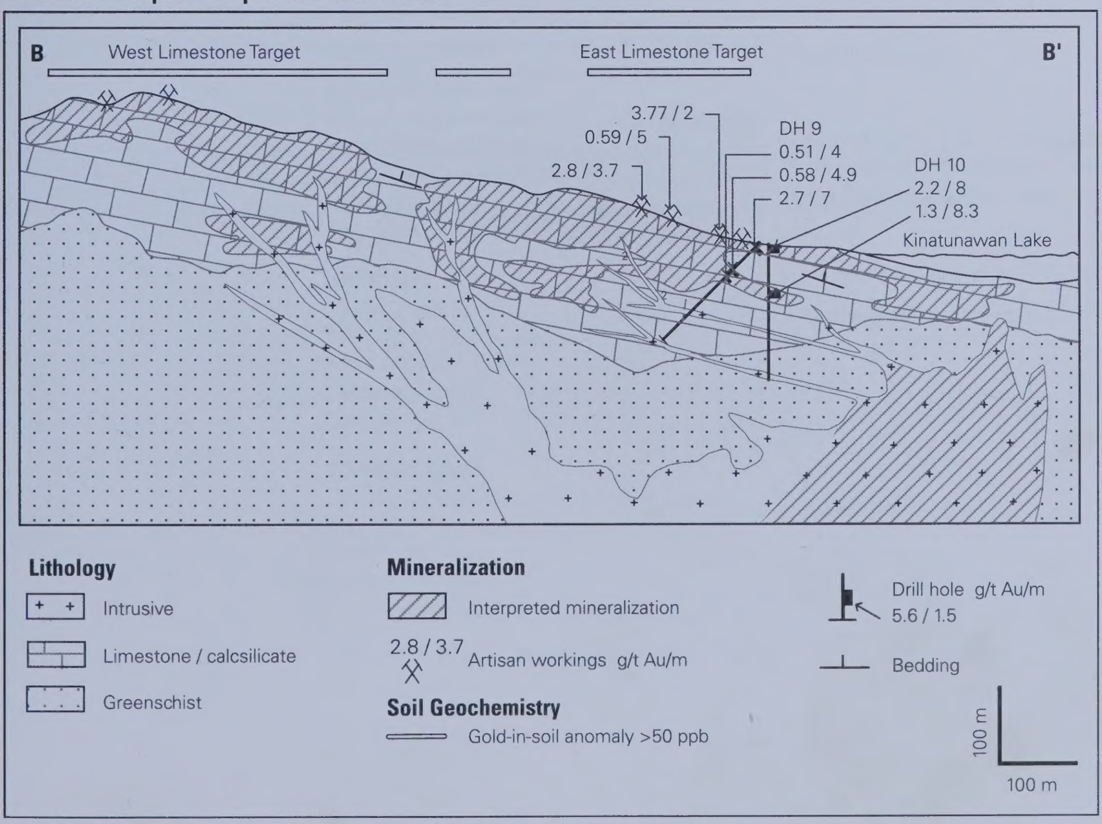
Potential

Potentially economically interesting gold grades have been encountered in the Assmicor Oxide and Limestone Prospects, and both are at the resource delineation stage. They offer potential for open-pit, heap-leach gold deposits. The Assmicor Porphyry and Tubay Prospects are at an earlier exploration stage. Several other prominent structural intersections have been defined for follow-up and are potential targets for gold and gold-copper mineralization.

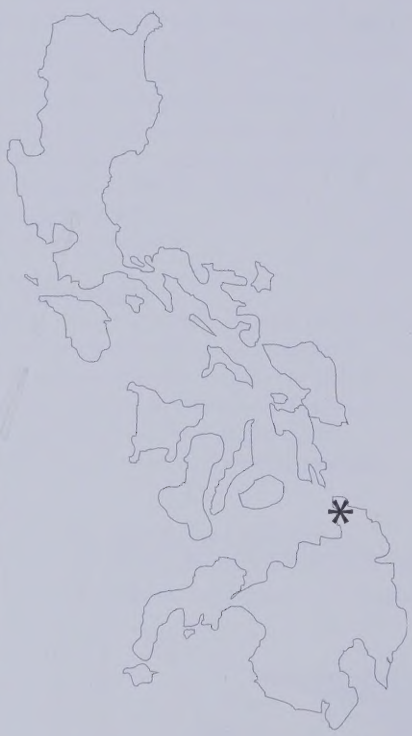
Plans

Continued drill evaluation of the Assmicor Oxide and Limestone Prospects. Further geological, geochemical and geophysical evaluation of the Assmicor Porphyry Prospect and Tubay Copper Target. Evaluation of other structural intersection targets.

Limestone Prospect Interpreted Cross Section



Mat-I Project



Copper, arsenic and gold in soil anomalies occur in areas of extensive artisanal mining.

Area and Location

Mineral Production Sharing Agreement (MPSA) application covers 730 ha in the Surigao Gold District, Mindanao Island, Philippines (see Surigao-Mindoro Projects).

Tenement

MPSA application is proceeding through approval process.

Ownership

Mindoro may earn 75% interest from a private Philippines company through phased exploration expenditures.

Geology and Mineralization

Geology consists of ultramafics, sediments and volcanic tuffs intruded by intermediate porphyry intrusives. The Mat-I area was an important artisanal gold mining area and thousands of miners won gold from alluvials as well as shallow, hard-rock workings. There are particularly spectacular examples of high-grade epithermal veins. However, most of the highest potential ground was lost in land disputes to other parties.

Systematic geochemical surveys by Mindoro defined four moderate-order copper in soil anomalies (greater than 100 ppm and up to 268 ppm). Maximum dimension is approximately 2,000 by several hundred meters. Minor gold anomalies are associated, as well as very strong arsenic anomalies (to 1,520 ppm). Significance of the copper and arsenic anomalies is unknown.

Potential

Although the best gold prospects have been excluded from the Mindoro ground, the strong arsenic anomalies may be the high level expression of gold occurrences below. Copper anomalies may reflect intrusive-related mineralization of potential interest.

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Penny Gould, Executive Vice President
& Corporate Secretary

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Tony Climie, B.Sc., (Hons.), P.Geol.
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Annual Meeting
The Annual meeting of the Shareholders will be held on July 3, 2003, at 10:00 am in the Gold Room B, Best Western Westwood Inn, 18035 Stony Plain Road, Edmonton, Alberta, Canada

Shares Listed
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Trading Symbol
MIO

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http://www.mindoro.com

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